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Amazon Business and GSA Advantage: A Comparative Analysis

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Abstract

This project analyzes two online platforms: commercially-available Amazon Business and federally-managed GSA Advantage. In our study, we assess the benefits and limitations of each platform for government purchase card (GPC) holders. In doing so, we compare prices, shipping costs, shipping time, ease of use, customer satisfaction, and consider future improvement initiatives. Our findings highlight several benefits, limitations and risks of each platform for repetitive, GPC-based purchases.



Methodology (Triangulation)

1. Interviews

Conducted telephone interviews with GSA management to understand current business environment, planned initiatives.

2. Cardholder Survey

Surveyed 428 U.S. Air Force GPC cardholders to understand purchasing processes as well as individual behaviors, traits and purchasing preferences.

3. Price Analysis

Compared prices between the two sites using a market basket of 60 commonly-purchased items, based on a frequency analysis of Air Force spend.

Results

GSA Advantage

- +** *Lower prices* on our 60-item GPC market basket when compared across 300 vendors.
- +** *Filtering for socioeconomic suppliers* allows purchasers to easily identify small and other forms of socioeconomics.
- +** *FAR terms and conditions* are included in underlying schedule contract and safeguard Federal and DoD interests on individual orders.
- *No vendor or product ratings* are offered via GSA Advantage and no site functionality exists for purchasers to submit/view ratings.
- *Minimum order requirements* are common across the platform.

Amazon Business

- +** *Demographic shift in preferences* found in our survey analysis suggests younger GPC cardholders are increasingly likely to favor Amazon.
- +** *Superior search* leads to greater convenience for purchasers, ease in locating lowest prices.
- +** *Vendor and product ratings* were found to influence cardholder preference toward Amazon Business.
- *Little insight into socioeconomics* of vendor pool (e.g., small business) and exclusion status
- *Concerns regarding vendor compliance* and supply chain security (counterfeiting, brand protection, regulatory and statutory compliance)